UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF VIRGINIA Alexandria Division

In re:	*

YOURI BEITDASHTOO, * Case No. 11-16702-BFK

* Chapter 7

Debtor. *

MOTION FOR APPROVAL OF SETTLEMENT

Nationwide Registry and Security Ltd. ("NRS"), by counsel, pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure, files this motion for approval of settlement with DONALD F. KING, TRUSTEE, of NRS' Motion (the "Motion") to Compel Chapter 7 Trustee to Turn Over Funds to NRS and, in support thereof, states as follows:

- 1. Youri Beitdashtoo (the "Debtor") filed a voluntary Chapter 13 petition on September 13, 2011. On March 27, 2012, the Court entered an order converting this case to Chapter 7. Subsequently, Donald F. King (the "Trustee") was appointed the Chapter 7 trustee in this case.
 - 2. NRS has a claim in this case.
- 3. While the case was in Chapter 13, the Debtor paid the total amount of \$20,100.00 (the "Funds") to the Chapter 13 trustee while attempting to get a Chapter 13 plan confirmed. NRS filed a garnishment relating to the Funds. Upon the conversion of this case to Chapter 7, the Chapter 13 trustee turned the Funds over to the Trustee pending further order of this Court.

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- 4. The subject Funds were derived from HEMETAF, Inc., a corporation that is owned solely by the Debtor's wife. On January 17, 2008, NRS obtained a judgment against the Debtor's wife in the approximate principal amount of \$80,000.00. As HEMETAF, Inc. was the solely owned by the Debtor's wife during the course of the subject bankruptcy proceedings and the sole source of any funds used to make payments to the Chapter 13 Trustee, there is no question but that the Funds are subject to NRS' garnishment.
- 5. The Trustee has asserted a claim to the Funds, the sole basis being that the Funds, in part, consist of wages paid to the Debtor, notwithstanding that pursuant to his Schedule I, the Debtor's monthly income is only \$1,400.00 and the parties' monthly expenses exceed \$10,000.
- 6. Subject to Court approval, and further conditioned upon NRS not having to litigate this matter with the Trustee and/or any other claimant, the Trustee and NRS have settled the issues relating to the Funds. Pursuant to this settlement, the Trustee will retain \$8,000.00 to be distributed pursuant to a further order of this Court. The remaining portion of the Funds (approximately \$12,100.00) shall be turned over to NRS in complete settlement of all claims that NRS has to the Funds and in complete settlement of the Motion.
- 7. The Trustee has related to NRS that in the exercise of his sound business judgment, the above described settlement is prudent, and that considering the costs and risks of litigation, the settlement is fair and reasonable and in the best interests of the estate.

- 8. Subsequent to the date the parties resolved the matter, the Trustee in HEMETAF's Chapter 7 proceedings in the District of Columbia bankruptcy court apparently communicated with the Trustee in this action and suggested that he may have some interest in the funds. The HEMETAF Trustee has never communicated with NRS or its counsel. Moreover, since that time, NRS has written directly to the HEMETAF Trustee and demanded that he provide the specific basis for any contention; as has consistently been the case in these matters, the request has gone unanswered.
- 9. NRS has requested that the Trustee file and Notice a Motion for Approval of the Settlement; to date, the Trustee has failed to do so.

WHEREFORE, NRS, by counsel, requests that the Court enter an order approving the settlement with the Trustee and for such other relief as this Court deems appropriate.

Nationwide Registry & Security, Ltd. By Counsel

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By <u>/s/ Robert L. Vaughn, Jr.</u>
Robert L. Vaughn, Jr., VSB # 20633
Counsel for Plaintiff

Certificate of Service

I hereby certify that on August 13, 2012, I mailed a true copy of this Motion for Approval of Settlement to each party required to receive notice:

Youri Beitdashtoo 4054 - 41st Street, North McLean, Virginia 22101 Nathan Fisher, Esq. 3977 Chain Bridge Road, Suite #2 Fairfax Virginia 22030

Donald F. King 9302 Lee Highway, Suite 1100 Fairfax, VA 22030

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> /s/ Robert L. Vaughn, Jr Robert L. Vaughn, Jr.